£ el (19/1) Department.

118 SERIES.

G.O. No 215-9

Dated 26-11-1941

[Despatch Abstract.]

Acts and Rules -

State Aid to Industries Act - Application from Sri Sagri Seetharama Karanth, Udipi, South Kanara District for a loan - Rejected.

Industries & Commerce DEPARTMENT.

Received ..... 19 *Registered* 32301 1/41 19

State Aid to Industries Act - Application from Sri Sagri Seetharama Karanth, Udipi, South Kanara district, for a loan of Rs.2,500/- for starting a printing press at Udipi

ENCLOSURES.

No.....

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Spare copies.....

No. S.A.509/40.

Station Madras, *Dated the* 17th November 1941.

From (Name) L.B.Green, Esq., O.B.E.,

(Designation) Director of Industries and Commerce.

To The Secretary to the Government of Madras,

Development *Department.*

Sir,

Sri Sagri Seetharama Karanth, Proprietor, Master Printers, Udipi, South Kanara district, has applied for a loan of Rs.2,500/-, under the State Aid to Industries Act, for the purpose of starting a printing press at Udipi. I enclose, for the orders of Government, a copy of his application, together with a copy of the note circulated to the Board of Industries and an extract from the Minutes of the Proceedings of the meeting of the Board held on the 31st October 1941.

2. It will be seen from the note circulated to the Board of Industries that the applicant has previous experien in printing work and that he proposes to start a new press on modern lines, employing both man and electric power. The applicant has offered as security for the loan, his insurance policy, the face value of which is stated to be Rs.5,000/- and his personal security, besides the assets to be created out of the loan amount. The Mechanic-in-charge, Mangalore, reports that there are already half a dozen printing presses at Udipi, one of them being a power press which has recently been closed down due to local competition, and for the revival of which attempts are made by the Directors and that the prospects of the business proposed to be started by the applicant must be regarded as

problematical. The Assistant Industrial Engineer, Coimbatore, does not recommend the grant of the loan applied for. The Collector of South Kanara does not consider it advisable to advance any amount on the personal security of the applicant or on the security of the insurance policy offered by him, as the applicant has no landed property and is without any employment and there is always the risk of the insurance policy, which is said to be only two years old, lapsing owing to default in the payment of the premium by the applicant at any time. The Collector does not also recommend the acceptance of the surety of Sri R.R. Kunjur, who offers as security his landed property bearing an annual assessment of about Rs.1,300/-, as the surety has only the right to an one-fourth share in the property which is reported to be encumbered to an extent of about Rs.30,000/-.

3. The application was considered by the Board of Industries at its meeting held on the 31st October 1941, when the Board resolved unanimously not to recommend the grant of the loan applied for, as the printing industry cannot be regarded as a new, nascent or undeveloped industry in the Udipi area, whilst the application is not supported by the Revenue authorities.

The Minutes of the Proceedings at the thirty-ninth meeting of the Board of Industries constituted under the Madras State Aidto Industries Act, 1922 (Act V of 1923) held at the Office of the Director of Industries and Commerce, Madras, onFriday the 31st October 1941.

P r e s e n t.

Chairman.

(1) Mr. L.B.Green, O.B.E.,
Director of Industries and Commerce.

Members.

(2) Mr. W.Scott Brown, C.I.E.,I.C.S.,
Secretary to Government, Finance Department.
(3) Mr. S.A. Venkataraman, I.C.S.,
Registrar of Co-operative Societies.
(4) Mr. F. Howard Oakley.
(5) Mr. D.J. Davidson.
(6) Khan Bahadur Adam Hajee Mohamed Sait SahibBahadur.
(7) Sri Diwan Bahadur V.Shanmugham Mudaliar.
(8) SriDiwan Bahadur A. Appadurai Mudali, M.A.,I.S.O.,M.L.A.
(9) Sri T.T. Krishnamachariar,M.L.A.
(10) Sri Vavilla Venkateswa Sastrulu.
(11) Sri C.M. Kothari, B.A.,LL.B.

* * * *

The following applications were then considered:

(7) Application from Sri Segri Seetharama Karanth, Proprietor, Master Printers, Udipi, South Kanara district, for a loan of Rs.2500/-, for the purpose of starting a printing press at Udipi.

Read note by the Director of Industries and Commerce, dated 8th October 1941 and connected papers.

Resolved unanimously that the Board is unable to recommend the grant of the loan applied for, as the printing industry cannot be regarded as a new, nascent or undeveloped industry in the Udipi area, whilst the application is not supported by the Revenue authorities.

Note for the Board of Industries.

17-6-41 Application from Sri Sagri Seetharama Karanth, Proprietor, Master Printers, Udipi, South Kanara district, for a loan of Rs.2,500 under the State Aid to Industries Act.

Sri Sagri Seetharama Karanth has applied for a loan of Rs.2500/- for the purpose of starting a printing press at Udipi and a copy of his application is attached.

2. The applicant states that he has nearly five years experience in printing work as Manager of Thulunad Press, Udipi, and he proposes to start a new press on modern lines, employing both man and electric power. He intends to instal a printing machine, a cutting machine and perforating and stitching machines, proof press and to provide for nearly 1000 lbs of English and Kannada types and other press sundries. The loan is proposed to be repaid in ten annual instalments.

3. The business may be classed as a large scale industry, as the applicant proposes to invest in the concern a sum in excess of Rs.2000/-. The value of the security offered should therefore be double the amount of the loan applied for. The applicant offers as security for the loan his insurance policy, the face value of which is stated to be Rs.5000/-, and his personal security, besides the assets to be created out of the loan amount. The Mechanic-in-charge, Mangalore, who was deputed to inspect the proposed place of business and furnish a report on the feasibility of the scheme, states that there are already half a dozen printing presses at Udipi, one of them being a power press which has recently been closed down due to local competitions etc. and for the revival of which attempts are being made by the Directors. As such, the Mechanic-in-charge points out that another press, if started in the same place, will have to compete with the existing ones, though modern machinery and equipments are proposed to be introduced, and that the prospects of the business must be regarded as problematical. The Mechanic also observes that, though the applicant has sufficient experience and necessary business capacity to run the business successfully under all normal conditions, his personal security and insurance policy may not afford sufficient security. The Assistant Industrial Engineer, Coimbatore, who agrees with the Mechanic-in-charge, does not recommend the grant of the loan.

4. The Collector of South Kanara, who was asked to report on the valuation of the security offered by the applicant, states that the applicant has no landed property and is without any employment and that his insurance policy is said to be only two years old. The Collector points out that there is always the risk of the policy lapsing owing to default in the payment of the premium by the applicant at any time. The Collector does not therefore consider it advisable to advance any amount on the personal security of the applicant or on the security of the insurance policy offered by him. The Collector also reports that a Sri R.K.Kunjur offers, as security for the loan applied for, his landed property, bearing an annual assessment of about Rs.1800. This surety is reported to have only the right to an one-fourth share in the property which is further reported to be encumbered to an extent of about ~~Rs~~ Rs.30,000/-. The Collector ~~xxxxxxxxxxxxxx~~ does not therefore recommend the acceptance of this surety. The Collector adds that the applicant was manager, for about three years, of the Thulunad Press which has since been wound up and that he has the capacity to manage a press.

5. The views of the Board are desired as to whether, in these circumstances, the application for loan may be rejected.

Form of application for Aid under the State Aid to Industries Act 1922 (No.V. of 1923)

1. Name of applicant and his full address.

Sagri Seetharama Karanth, Proprietor, Master Printers, Udipi, S.India.

2. Nature of the Industrial concern for which aid is sought.

Printing Press.

3. The administrative, technical and executive staff existing or to beappointed with qualifications.

The applicant has got nearly 5 years experience in the Printing Department as Manager of Thulumad Press, Udipi.

4. The facilities available for the development of the industry.

On account of the rise in several joint stock companies and several big Industrial concerns in Udipi and suburbs and as there is no printing house started in these eight years, there is good scope for two or three printing presses with the latest type designs to suit the modern lines.

5. The nature of the processes to be employed.

Printing by man and electric power

6. Details of plant and machinery proposed to be installed at the works.

One crown half printing machine, cutting machine, Perforating and stitching machines; Proof Press and nearly 4000 lbs of English and Kannada types with other press sundries.

7. The total estimated cost of the undertaking and the probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished separately)

Total estimate may come up to nearly Rs 5000/- There is no recurring expenses except the recasting of types when they are battered or broken (at least a type face will notbe worne out if properly handled till five years) The recasting charges is nearly 4 annas per lb. and once in five years Rs 250/- nearly will have to be spent- Nearly a month is required to install the press from the date of purchase.

8. Approximate number of operatives to be employe

Nearly 10.

9. Estimated net expenditure per annum in running the works.

Nearly 2500/-

10. Estimated net profits accruing.

Net profits after deducting all expenses may come to nearly Rs 1000/- in a year.

11. Reasons why the business cannot be financed without State assistance.

As I have not got enough financial resources.

12. Nature and extent of State aid applied for (The particular clause of section 6 under which the aid is applied for shouldbe stated.

Rs 2500/- under section 6(a) i.e. by granting a loan. or section 6(b) by guaranteeing an overdraft with any bank.

13. Security offered.
(a) If land etc.

Nil.

(b) Nature and description of other security, if any, offered.

All the machineries, types etc to be installed as well as personal and insurance policy of Rs 5000/- face value.

14. Nature and extent of the applicant's right in the concern whether as co-sharer or proprietor or otherwise and his financial resources.

Proprietor of the concern having the full share of the net profits.

15. Nature and extent of the applicant's right to the property offered as security.

Sole right as proprietor.

16. Nature and extent of encumbrances on the immovable property offered as security - primary or collateral.

No other encumbrances.

17. Whether any arrears are due on the immovable property offered as security - primary or collateral and if so, the nature and extent of such arrears.

No.

18. Period within which and the number of instalments in which the applicant proposes to repy the loan.

10 yearly instalments or if possible even earlier.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure.

As in question No.10 is the net profits, and the total turn over may be nearly 10,000/- per year.

20. If the application is from a joint stock company the amount of capital actually subscribed and paid up and the number of shares held by each of the directors and their salary and fees and other perquisites should be stated.

No.

NOTE: The application should also be accompanied by a copy of the prospectus and memorandum and the Articles of Association with a list containing the names and descriptions of the directors.

21. Any other remarks;
The Press will be named as Ideal Press, and will be situate at Udipi Taluk, of South Kanara District.

Declaration: I, Sagri Seetharama Karanth, Udipi S declare that the statements made above are true to formation and belief.

Station Udipi
Dated 28-6-1940.

27/26/11

Dev. Dept.

~~INDUSTRIES~~. Acts and Rules -

State Aid to Industries Act -

Application from Sri Sagri Seetharama Karanik Printer, South Kanara Dt. for a loan - Rejected.

Read also:-

CF No. 32301 D/41 From the D.I.&C. no. S.A. 509/40 dt. 17.XI.41

Order Ms. 2159/26-11-41

The Board of Industries having declined to recommend the application from Sri Sagri Seetharama Karanik, Proprietor, Master Printers, Udipi, South Kanara Dt. for State Aid, the application is rejected under Section 8(5) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923).

To the D.I.&C.